

FUND SUMMARIES

This section provides summaries of the revenues and appropriations for each of the operating funds included in the FY 2012-13 Budget. In addition, detailed information is provided on revenue sources and non-departmental appropriations.

- **General Fund** - the general operating fund of the City. It is used to account for all financial resources except those to be accounted for in another fund.
- **Debt Service Fund** – accounts for General Fund related debt service.
- **Enterprise Funds** – are established to account for revenues resulting from charges for services provided to the general public and the related costs of such services. Although General Statutes and generally accepted accounting principles do not require an annual balanced budget for Enterprise Funds, the City does adopt balanced budgets for these funds.

These funds include:

- Water and Sewer Fund
- Solid Waste Fund
- Stormwater Management Fund
- Transit Fund
- Parking Facilities Fund
- Ballpark Fund

- **Fiduciary Funds** – are used to account for assets held by the City in a fiduciary capacity as trustee or agent.

These funds include:

- Law Enforcement Officers' Separation Allowance Fund
- Cemetery Fund
- Other Post Employment Benefits Fund

- **Special Revenue Funds** – are used to finance particular activities from the receipts of specific taxes or other revenue. Such a fund is legally created to provide for certain activities with special purpose or restricted revenues.

These funds include:

- Business Improvement District Fund
- Emergency Telephone System Surcharge Fund
- Durham Performing Arts Center Fund
- Durham Performing Arts Center Capital Reserve Fund
- Watershed Protection Fund

- **Capital Projects Funds** – are used to account for capital projects, including major municipal buildings, public improvement projects, major repairs, and capital equipment needs.

These funds include:

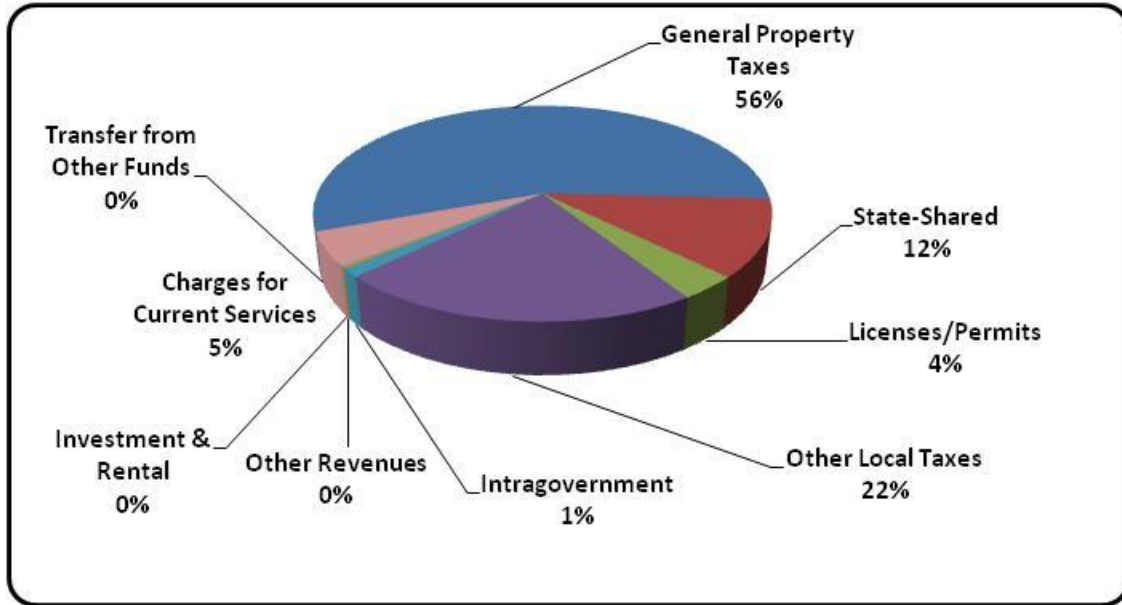
- General Capital Projects Fund – Provided by separate ordinance in standalone budget document.
- Impact Fee Fund
- Water and Sewer Capital Facilities Fees Fund

- **Internal Service Funds** – are used to account for the financing of goods and services provided by one department to others within the government on a cost-reimbursement basis. Please refer to sections IV (Budget Summaries) for information on Internal Service Funds. These funds include:

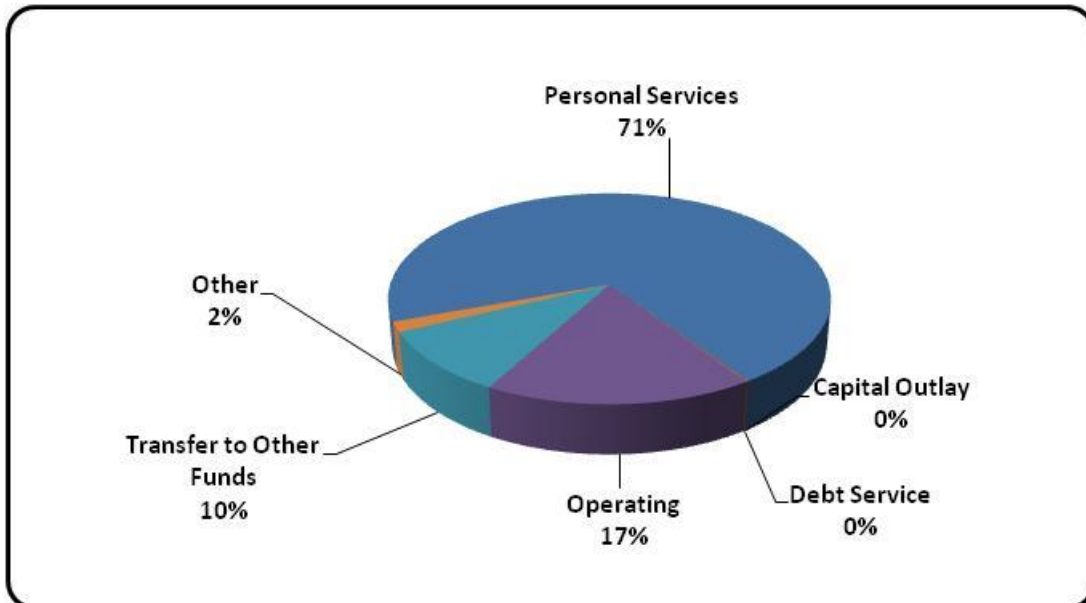
- Risk Reduction Fund
- Employee Insurance Fund

GENERAL FUND SUMMARY

Revenues

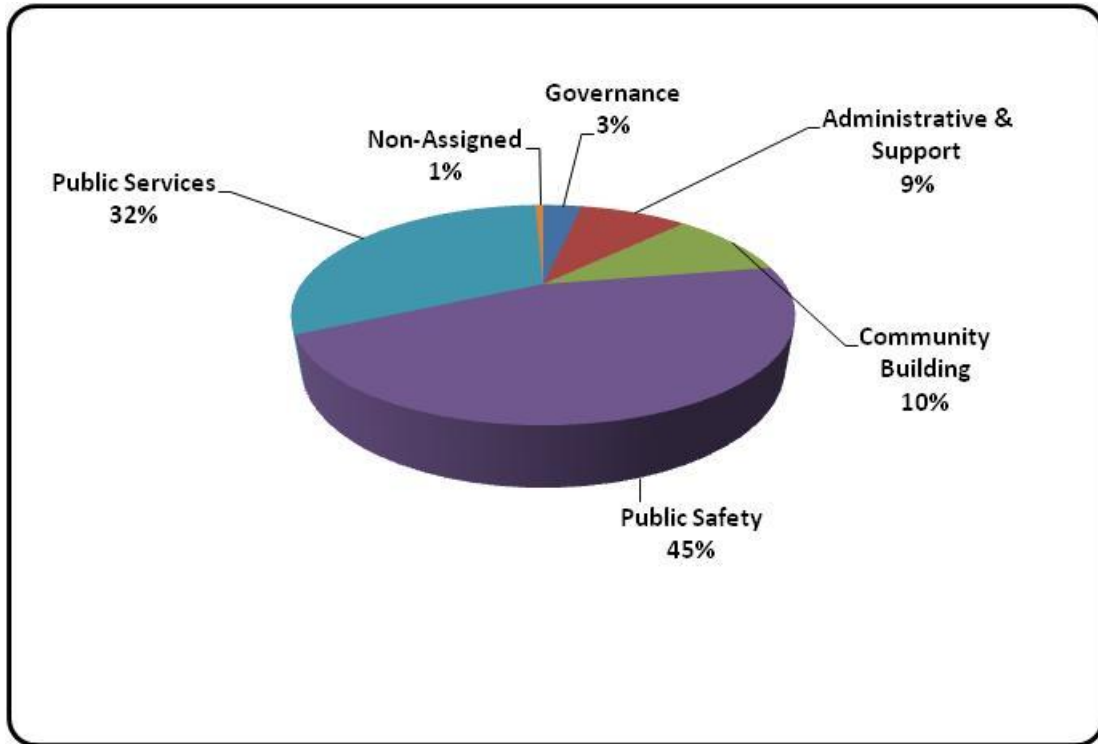


Appropriations



GENERAL FUND SUMMARY

Appropriations by Function



GENERAL FUND SUMMARY

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Proposed FY 2012-13	Change
Revenues					
General Property Taxes	\$ 102,891,508	\$ 107,997,056	\$ 102,318,102	\$ 99,217,048	-8.1%
Other Local Taxes	34,124,805	36,677,983	36,846,587	38,573,096	5.2%
State-Shared Revenues	20,572,713	19,806,250	19,307,730	20,419,193	3.1%
Licenses and Permits	7,121,466	6,426,066	6,624,999	6,285,053	-2.2%
Investment/Rental Income	784,760	549,412	349,290	407,029	-25.9%
Charges for Current Services	7,287,611	7,499,775	7,969,307	8,256,078	10.1%
Intragovernmental Services	2,749,998	2,390,773	2,246,705	2,380,128	-0.4%
Other Revenues	3,372,671	859,780	884,493	719,135	-16.4%
Transfer from Other Funds	2,956,672	244,581	690,828	-	-100.0%
Approp From Fund Balance	20,617,145	360,055	6,999,649	314,338	-12.7%
Total Revenues	\$ 202,479,349	\$ 182,811,731	\$ 184,237,690	\$ 176,571,098	-3.4%
Appropriations					
Personal Services	\$ 119,937,940	\$ 122,210,831	\$ 123,718,489	\$ 125,391,232	2.6%
Operating	33,426,742	36,159,301	34,696,505	30,772,897	-14.9%
Capital Outlay	278,358	326,039	404,580	182,951	-43.9%
Debt Service	19,856,472	410,000	410,000	100,000	-75.6%
Other	-	140,507	61,626	2,744,877	1853.6%
Transfers to Other Funds	28,979,837	23,565,053	24,946,490	17,379,141	-26.3%
Total Appropriations	\$ 202,479,349	\$ 182,811,731	\$ 184,237,690	\$ 176,571,098	-3.4%
Appropriations by Function					
Governance	\$ 5,644,722	\$ 6,006,749	\$ 5,932,654	\$ 5,756,740	-4.2%
Administrative and Support	14,799,113	15,659,074	16,451,034	15,912,012	1.6%
Community Building	13,871,960	14,669,095	15,937,667	17,709,475	20.7%
Public Safety	75,470,998	76,914,894	78,311,136	80,291,336	4.4%
Public Services	59,757,910	60,781,420	62,722,822	55,749,834	-8.3%
Non-assigned	32,934,646	8,780,499	4,882,377	1,151,701	-86.9%
Total Appropriations	\$ 202,479,349	\$ 182,811,731	\$ 184,237,690	\$ 176,571,098	-3.4%

The General Fund is the major operating fund of the City. It is used to account for all financial resources not accounted for in another fund.

Revenues in the general fund fall into two categories:

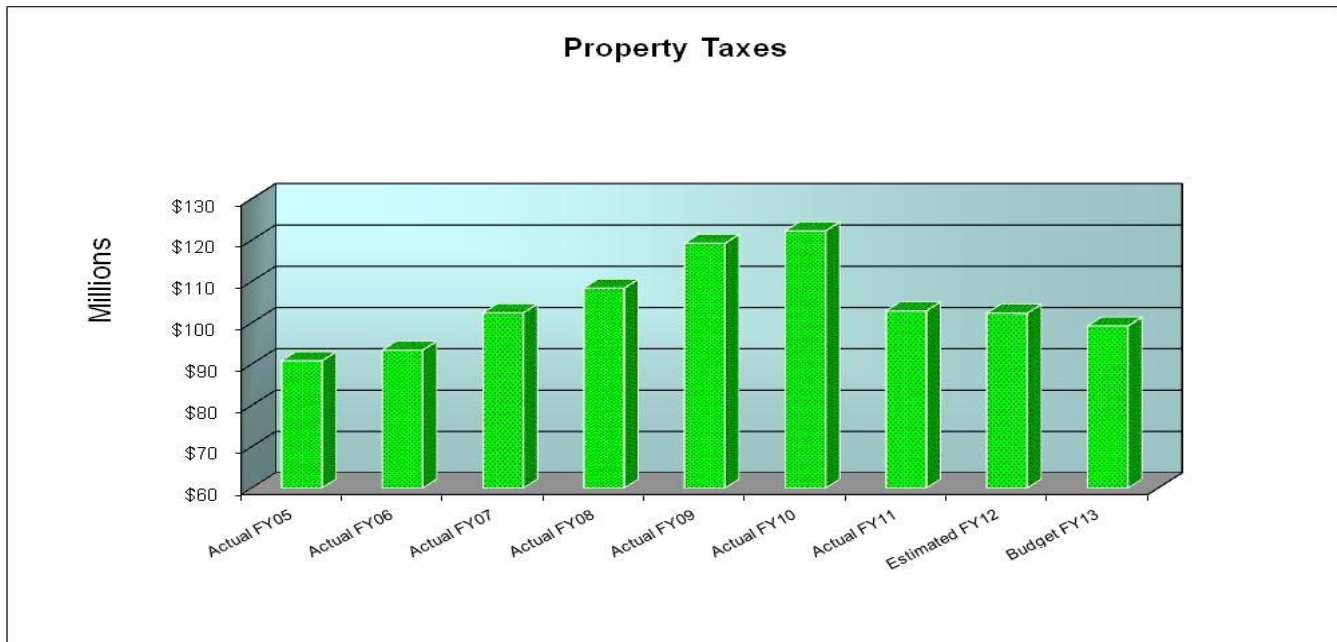
- **Discretionary** – Revenues that are not derived from or dependent upon direct activity from a single department. Examples include property tax and state shared revenues.
- **Program** – Those revenues that are derived from or dependent upon direct activity from a single department. Examples include user fees, building inspection permits, or grants for a specific activity.

General Fund – Discretionary Revenues

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Proposed FY 2012-13	Change
General Property Taxes					
Current Levy	\$ 101,201,392	\$ 106,074,007	\$ 100,630,733	\$ 97,432,048	-8.1%
Prior Years Levy	1,317,370	1,538,049	1,317,369	1,400,000	-9.0%
Interest & Penalties	372,746	385,000	370,000	385,000	0.0%
Subtotal	\$ 102,891,508	\$ 107,997,056	\$ 102,318,102	\$ 99,217,048	-8.1%
Other Local Taxes					
Local Option Sales Tax	\$ 32,264,927	\$ 34,820,268	\$ 34,958,359	\$ 36,663,381	5.3%
Heavy Equipment	68,151	85,000	64,201	85,000	0.0%
Rental Car Gross Receipts	227,651	222,715	214,460	222,715	0.0%
Hotel/Motel Occupancy Tax	1,564,076	1,550,000	1,609,567	1,602,000	3.4%
Subtotal	\$ 34,124,805	\$ 36,677,983	\$ 36,846,587	\$ 38,573,096	5.2%
Licenses					
Business & Professional Licenses	\$ 3,190,901	\$ 2,808,931	\$ 2,855,733	\$ 2,876,042	2.4%
Subtotal	\$ 3,190,901	\$ 2,808,931	\$ 2,855,733	\$ 2,876,042	2.4%
Intergovernmental Revenues					
Utility Franchise Tax	\$ 13,174,412	\$ 13,059,214	\$ 12,474,475	\$ 13,502,696	3.4%
Gasoline Tax (Powell Bill)	6,265,359	5,574,000	5,703,255	5,710,000	2.4%
Beer & Wine Tax	1,031,942	1,023,036	1,030,000	1,053,497	3.0%
Alcoholic Beverage Control	101,000	150,000	100,000	153,000	2.0%
Subtotal	\$ 20,572,713	\$ 19,806,250	\$ 19,307,730	\$ 20,419,193	3.1%
Investment					
Investment Income	\$ 470,157	\$ 274,912	\$ 312,924	\$ 320,500	16.6%
Subtotal	\$ 470,157	\$ 274,912	\$ 312,924	\$ 320,500	16.6%
Other Revenue					
False Alarm Charges	\$ 203,696	\$ 292,468	\$ 290,386	\$ 280,327	-4.2%
Sale Of Land	3,660	200,000	-	-	-100.0%
Sale Of Surplus Equipment	336,377	265,000	462,498	311,034	17.4%
Street Assessments	93,743	150,000	95,850	100,000	-33.3%
Subtotal	\$ 637,476	\$ 907,468	\$ 848,734	\$ 691,361	-23.8%
Appropriations From Fund Balance	\$ -	\$ 360,055	\$ 3,387,963	\$ 213,338	0.0%
Total Revenues	\$ 161,887,560	\$ 168,832,655	\$ 165,877,773	\$ 162,310,578	-3.9%

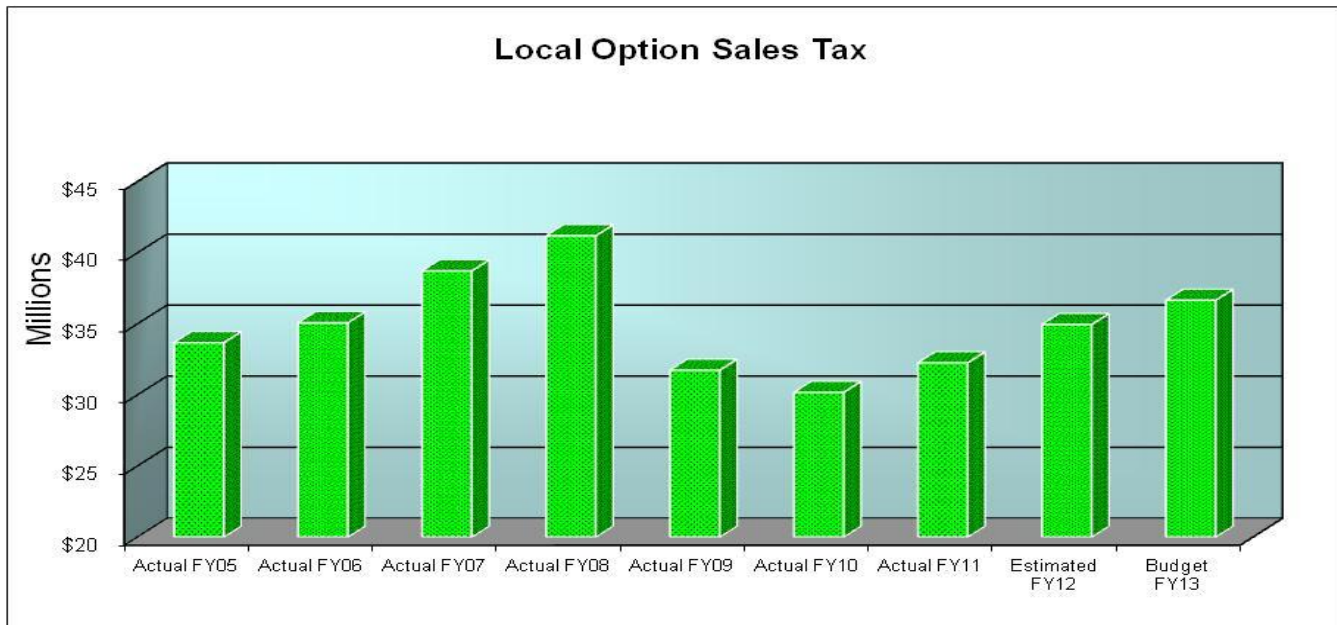
General Fund – Discretionary Revenues

GENERAL PROPERTY TAXES



The FY2012-13 budget proposes a tax rate of 56.75 cents per \$100 of assessed valuation, compared to 55.75 cents per \$100 of assessed valuation in FY2011-12, an increase of 1.0 cent per \$100 of assessed valuation for dedicated funding for housing needs. The property tax rate is established annually during the budget process. The City's property tax is levied based on 100% of the assessed value of property from the previous January 1 as determined by the Durham County Tax Administrator, whose office bills and collects property tax. Please refer to Section IV - Budget Summaries for tax base information.

OTHER LOCAL TAXES



Sales Tax - Sales tax is levied on the sale, lease or rental of all taxable goods and services within Durham County. Purchasers of these goods and services pay the tax. Sales tax is collected by businesses at the time of the sale and then paid periodically to the North Carolina Department of Revenue, Sales and Use Tax Division.

The Department of Revenue then remits that portion due to the County and all municipalities in the County based on a *per capita* formula.

The 2009 North Carolina General Assembly passed legislation that provided for a temporary additional 1% State sales tax effective September 1, 2009 which expired in 2011. An additional 0.25% Local Sales Tax was approved by referendum for education in November 2011. Authority for an additional 0.50% Local Sales Tax was also approved by referendum for Transit, but has not been implemented to date. For Durham County this increased the tax rate to 7.00%. The sales tax rate of 7.00 cents per dollar is on all retail sales except food purchases to be consumed at home, which are taxed at 2.0 cents per dollar. Most services and prescription drugs are exempt from sales taxes. The State retains 4.25 cents for retail (0 cents in the case of food sales) and returns 2.5 cents to local governments, or 2.75 cents in Durham's case. The sales tax is an important revenue source for the City, representing 23% of General Fund discretionary revenues for FY 2012-13.

According to fiscal analysts at the General Assembly, sales tax revenues are projected to increase by 5%. Cities and Counties must adjust this estimate based on local conditions. In the past the projections were applied to Article 40 and Article 42 taxes and a portion of Article 44. The elimination of the *per capita* portion of Article 44 and its replacement by the new municipal hold harmless payment makes the projection only applicable to Article 40 and Article 42 taxes. The City of Durham and Durham County have an interlocal agreement. Durham is projecting a 5.3% increase based on the interlocal with Durham County, and the fact that Durham County has a large number of non-profits that are entitled to sales tax refunds. Sales tax continues to be distributed by the state on a *per capita* basis between the County of Durham and the City of Durham. Based on the most recent interlocal agreement with Durham County effective July 1, 2009, the distribution ratio changed to 42% for the City and 58% for the County. This current agreement will remain in effect for five years from FY 2008-09 through FY 2012-13.

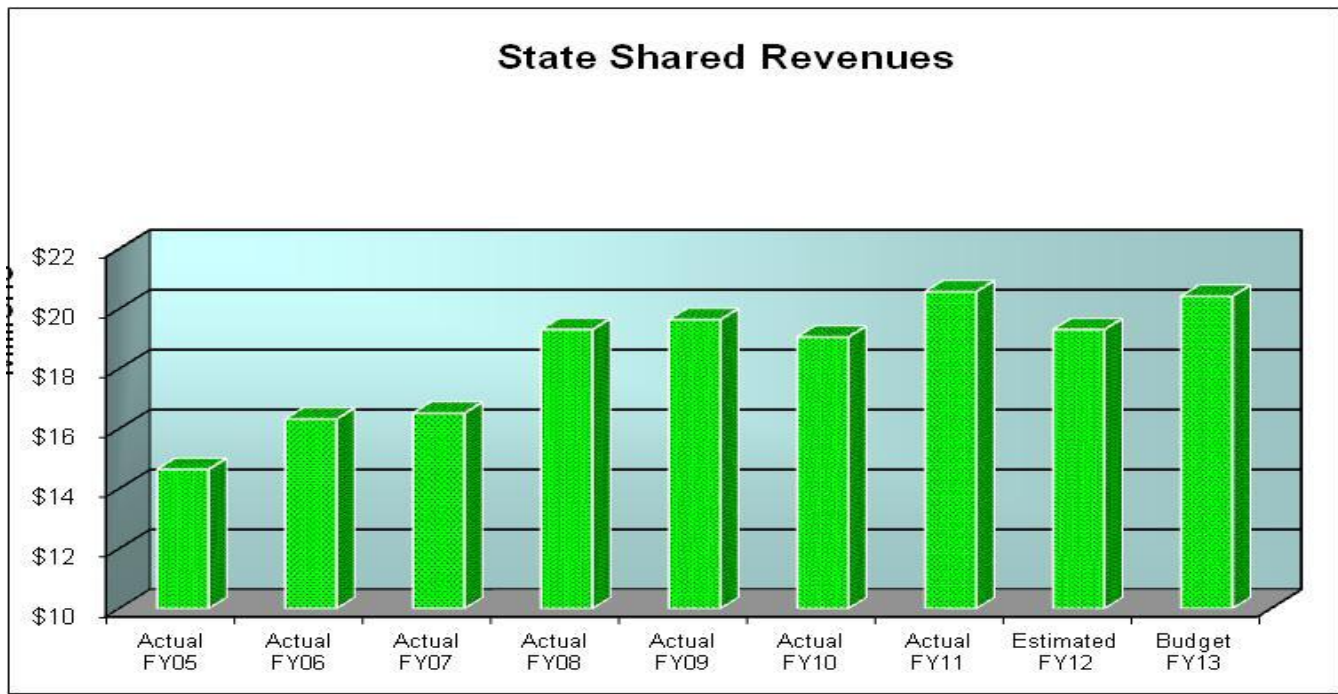
Hotel/Motel Tax - A tax of 6% is levied on hotel/motel rentals in Durham County as authorized by the General Assembly in the 2001 session. Of the first 5%, the City receives 25.5%, Durham County receives 34.5%, and the Durham Convention and Visitors Bureau receives 40%. The last 1% is held by Durham County to pay for arts and cultural projects. Funding is set aside in the last 1% for Durham Performing Arts Center. The FY 2012-13 budget projects Occupancy tax to be 3.40% higher than the FY 2011-12 budget, based on current economic conditions and projections on hotel usage from the Durham Convention and Visitors Bureau (DCVB).

LICENSES AND PERMITS

Business Licenses - Businesses are assessed a fee for the privilege of doing business in the City. The FY 2012-13 budget projects a 2.4% increase compared to the FY 2011-12 budget.

INTERGOVERNMENTAL REVENUE

Intergovernmental revenue consists of revenue received by the City from federal, state, and county government in the form of grants, shared revenues or reimbursements. Charges to other governments for services rendered, such as for interlocal agreements, are not included in this category.



State Shared Revenues

- ❖ **Utility Franchise Tax** – In 1989, the General Assembly replaced the utility franchise tax on piped natural gas with an excise tax on piped natural gas. In 2001, the General Assembly replaced the utility franchise tax on local telephone service with a new special sales tax on telecommunications. In 2006, the General Assembly replaced most of the local cable franchise taxes with a replacement revenue source from three special sales taxes (Sales Tax on Video Programming, Sales Tax on Direct-to-Home Satellite Service and Sales Tax on Telecommunications). Overall, the City is projecting a 3.4% increase in total Utility Franchise taxes for FY 2012-13 compared to FY 2011-12.
 - The **Electricity** franchise tax is based on actual receipts from electric service within the municipal boundary. For FY 2012-13 the revenue is expected to increase by 9.6% compared to FY2011-2012.
 - **Telecommunications** sales tax revenues are expected to decline by 4.8% in FY 2012-13. The decline is attributed to changes the General Assembly made to telecommunications sales tax distributions when it increased the general sales tax on September 1, 2009.
 - The **Piped Natural Gas** excise tax is expected to increase by 2.0% for FY 2012-13.
 - The **Local Government Video Programming** is a relatively new revenue source, so there is little history on which to base estimates. Revenues for FY 2012-13 are expected to decrease by 0.2% compared FY2011-12. The increase is attributed to changes the General Assembly made to video programming distributions on September 1, 2009.
- ❖ **Gasoline Tax (Powell Bill)** - The revenue generated from Powell Bill collections is used to support the maintenance of non-state system streets. The City's share is based on population (75%) and local street mileage (25%) relative to those of other municipalities. For FY 2012-13, the City projects a 2.4% increase compared to FY 2011-12. The State Highway Trust Fund is used to supplement the State Highway Fund in the funding of the Powell Bill distribution. This projection assumes that the proportion of City street miles and population before annexation to street miles and populations of other municipalities remains constant.
- ❖ **Beer and Wine Tax** - The tax on malt beverages and unfortified wines is paid by the final purchaser and administered by the State. Taxes are distributed to entitled municipalities according to population. For FY 2012-13, the City projects a 3.0% increase compared to FY 2011-12.
- ❖ **Alcoholic Beverage Control Tax** - The City receives 10% of the profit from ABC operations in the County. The FY 2012-13 budget projects this revenue will increase 2.0% as compared to FY 2011-12.

INVESTMENT

Investment Income - Revenues into the General Fund do not occur evenly over the fiscal year. Most property tax, for example, is collected during December and January of each year. The Finance Director is authorized to invest these funds in short-term investments. The resulting interest accrued on the invested funds is considered interest revenue for the City.

By resolution of the City Council, all investment income derived from the General Fund is transferred to the Capital Projects Fund. For FY 2012-13 there is no general fund transfer budgeted. The FY 2012-13 budget projects a 16.6% increase in investment income.

OTHER REVENUE

This category is used to record those revenues that are miscellaneous in nature.

False Alarm Charges – The City bills residents for false alarm charges. For FY 2012-13 the City projects a 4.2% decrease in false alarm charges.

Sale of Land - Periodically the City sells surplus land. For FY 2012-13 there are no land sales projected in the General Fund.

Sale of Surplus Equipment - Annually the City auctions surplus equipment. The FY 2012-13 budget projects a 17.4% increase in sales of surplus equipment.

Street Assessments – The City bills for street assessments. The FY2012-13 budget projects a 33.3% decrease in street assessment revenue.

APPROPRIATION FROM FUND BALANCE

Revenues from prior years are often necessary to balance the budget. To the extent revenues exceed expenditures at year end (June 30, 2012) excess funds will be returned to Fund Balance. The final year-end figure will be based on actual revenues and expenditures as determined through the City's FY 2011-12 financial audit. For FY 2012-13, there is a transfer from fund balance budgeted in the amount of \$213,338 to balance the budget. If funds from FY 2011-12 are returned as projected to Fund Balance, the General Fund Balance is projected to be approximately 12.5%

General Fund – Program Revenues

LICENSES AND PERMITS

Public Safety

Fire:

Fire Permits - This fee covers the costs associated with issuing permits for controlled fires and special event operation requirements as required by the North Carolina Fire Prevention Code.

Community Building

City/County Inspections:

Revenues from Building, Electrical, Plumbing, Mechanical, Sign and Fire Permits required by ordinance for development activity.

Sign Permits - Revenue generated from the issuance of sign permits.

Public Services

Public Works:

Street Cut Permits - Revenue from permits issued primarily for gas, electric, telephone and cable television utility right-of-way excavations.

Driveway Permits - Revenue from permits issued for cutting driveways into existing curbs.

Transit/Parking:

Taxicab Inspection Fees - Revenue from inspecting taxicabs for taxicab permits.

CHARGES FOR CURRENT SERVICES

Charges for services include user fees for recreation, police, fire, transportation, engineering, cemeteries, planning and other city services. Charges to the State and to Durham County for services that the City provides (such as services provided under an interlocal agreement) are also included in this category.

Governance

City Clerk:

Revenues from the sale of City Code supplements and copies of public records.

Public Safety

Communications Center:

Communications Services - This item represents the reimbursement by Durham County for the costs associated with dispatching County volunteer fire departments and ambulances and receiving 911 calls for the Sheriff's Department. The County assumes 21% of the Communications Center budget in accordance with an interlocal agreement.

Emergency Telephone System Fund – This fund combines the total 911 surcharge for wireless and wireline services. This money is collected by the telephone companies and forwarded to State. The State distributes these funds directly to the City of Durham. The monthly service charge was set at \$0.70 per connection effective January 1, 2008. The 911 Board monitors the revenues generated, and if it determines that revenues exceed the amount needed, the rate must be reduced.

Police:

Officers' Fees - This revenue source is a reimbursement by the General Court of Justice for officers' service of legal process documents.

Wrecker Service Dispatch Fee - A fee is assessed against wrecker services which are registered and dispatched from the Police Department to clear accident scenes. During FY 2004-05, the City increased the fee from \$3.00 to \$10.00 per tow to cover the costs of police officers associated with this program.

Fire:

Fire Protection - State-Owned Buildings - In FY 1983-84, the State began to reimburse local governments for providing fire protection services for State-owned facilities. In FY 1997-98, the General Assembly raised the reimbursement amounts paid to cities. The General Assembly reduced the reimbursement rate for FY 2007-08 but also re-assessed the value of its property, which resulted in an increased payment.

Fire Inspections Fees - This revenue is a result of the State placing more restrictions on how inspections are done. Hazardous material inspection fees are included here.

Community Building**Office of Economic and Workforce Development:**

Use Charges - This item includes revenues generated through rental of the Parrish Street Forum.

City/County Planning:

Planning Fees - Revenue in this category includes fees for reviewing proposed development plans, zoning change requests, site plan compliance, flood plain, and variances and use permits.

Durham County Planning Services – Under an interlocal agreement, Durham County reimburses the City for its share of joint City/County Planning services. Since FY 1999-00, the City and County have each assumed 50% of the Planning budget net of Planning fees unless one entity elects to solely fund a position. In FY 2012-13, the City and County are each funding 50% of the Planning budget with no positions solely funded by either entity.

City/County Inspections:

Durham County Inspections Services - In FY 2002-03, Durham County reimbursed the City 14% of the Inspections Departments appropriations for its share of the joint City/County Inspections. County Inspections fees were remitted to the County every six months after reconciliation. Starting in FY 2003-04, the City began 100% retention of County inspections revenue. The County no longer reimburses the City for its share of the Inspections function.

Administrative and Support**Budget & Management Services:**

An annexation petition fee pays for recordation of adopted annexation plats, legally required advertisements, copying costs and a small portion of staff time required to process the petition.

Finance:

Bank of America Rebate - This is the rebate offered by the Bank of America on their procurement card and ePayables programs.

Administrative Fee - This is the administrative fee charged by the Payroll Division to process wage garnishments for child support payments.

Technology Solutions:

Durham County GIS Service - The City is responsible for coordinating and managing overall countywide GIS operations, which includes GIS software installation and maintenance, GIS databases management, technical support, customized maps and application development and training. It currently operates under an interlocal cooperation agreement effective since July 1, 1998, which was amended in December 2005 and provides service to all City and County departments. Durham County reimburses the City 50% of the GIS operation cost each year. The department began providing mapping and data distribution services to the public in 1999. The fees are based on two policies. The GIS data access and distribution policy went into effect on July 1st, 1999 and the GIS data distribution policy for commercial use was adopted by the City Council on August 7th, 2000.

GIS Sales - Revenue generated from public map and data requests.

Public Services**General Services:**

Air Lease Tower Fees – Space leased on a City-owned tower on Camden Avenue for use by cell phone companies.

Cemetery Lot Sales - Revenue from the sale of grave spaces at both Beechwood and Maplewood cemeteries.

Cemetery Interment Fees - Revenue generated from burial fees at both Beechwood and Maplewood cemeteries.

Cemetery Upkeep and Design - Revenue represents the fee charged to citizens who request additional maintenance at specific gravesites.

Columbarium Charges - Revenue generated from fees charged for burial niches, urns, burial plaque engraving, and miscellaneous upkeep charges.

Fleet Management:

Radio Maintenance Charges - This item represents fees for servicing radios outside of the City owned radios.

Public Works:

NCDOT State Highway Maintenance - This program has been suspended by the State due to budget shortfalls, but in the past, this was revenue paid by the State Department of Transportation for street maintenance work by the City on State highway system streets within the City limits.

NCDOT Winter Weather Reimbursement – Revenue paid by the State Department of Transportation to reimburse expenses incurred to treat roadways due to winter weather.

Special Street Maintenance - Charges made to utility companies for utility cut repairs and fees paid by individuals for private street maintenance services.

Engineering Inspection Fees - Revenues included in this category are for the inspection by City staff of new street construction in private subdivisions including stormwater drainage and sidewalks. New street construction drawing review and fire flow test fees are also included.

Topographic and Other Maps - Revenue the Public Works Department receives from the sale of maps.

Parks and Recreation:

Registration Fees – This category includes revenues generated from Summer Day Camp and After School programming.

Special Activities - Items in this category include entry fees for adult athletic organization leagues, gymnastics, special interest camps, road races, instructional classes, Senior Games, etc. Fees for these activities are intended to recover expenses involved for services provided. Registration rates are set to recover direct and indirect costs of each activity.

Admissions - Revenues included in this account are swimming pool fees and picnic shelter reservations.

Entry Fees - Revenues generated by entry fees for youth softball, basketball, baseball and volleyball are included here.

Use Charges - This item includes revenues generated through rental of City equipment, Lake Michie, Durham Athletic Park, West Point on the Eno, Little River Lake, the Armory, Durham Centre Plaza and the Civic Center Plaza.

Transportation:

Street Signs and Markings - This revenue represents the billing to the State for maintenance of signs and markings on State system streets and highways within the city limits.

Traffic Signals - This revenue represents the billing to the State for maintenance of traffic signals on State system streets and highways within the City Limits.

Traffic Impact Analysis - Development review fees associated with the review of traffic impact.

INTRAGOVERNMENTAL SERVICES

This section is used to record those revenues associated with services provided by one City department to another department.

Community Building

Public Works:

Street Maintenance Charges - These charges occur as a result of General Fund divisions performing street construction and stormwater system work for other departments or divisions in other funds.

Engineering Fees - This revenue represents charges to bond and construction funds for engineering services provided by the Engineering Divisions.

TRANSFERS FROM OTHER FUNDS

Public Services

General Services:

Transfer From Perpetual Care Fund - Investment income from the Cemetery Perpetual Care Fund has been transferred in the past to help offset the costs of cemetery maintenance. A portion of this investment income is returned to the Perpetual Care Fund to assist with long term maintenance of the cemeteries.

General Fund – Non-Departmental Appropriations

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Proposed FY 2012-13	Change
Personal Services					
Wellness Program	\$ 6,061	\$ 25,000	\$ 15,000	\$ -	-100.0%
Severance Payments	65,150	100,000	16,461	40,000	-60.0%
Health Insurance - Retirees	2,900,668	3,061,298	3,061,298	3,009,616	-1.7%
Subtotal	\$ 2,971,879	\$ 3,186,298	\$ 3,092,759	\$ 3,049,616	-4.3%
Operating					
Risk Management Charges	3,303,779	\$ 2,911,522	\$ 2,841,522	\$ 2,358,257	-19.0%
Downtown Revitalization	1,753,561	1,890,128	2,670,688	1,982,725	4.9%
Computer Lease	-	-	308,000	-	0.0%
Indirect Cost Reimbursements	(6,469,896)	(7,031,464)	(7,031,464)	(8,101,323)	15.2%
Subtotal	\$ (1,412,556)	\$ (2,229,814)	\$ (1,211,254)	\$ (3,760,341)	68.6%
Transfer to Other Funds					
Transfer to Capital Projects Fund	\$ -	\$ 150,000	\$ 150,000	\$ -	-100.0%
Transfer to Debt Service Fund	6,426,807	1,243,173	2,431,277	1,203,484	-3.2%
Transfer to Water and Sewer Fund	-	319,595	319,595	308,942	-3.3%
Transfer to DPAC Fund	-	100,000	-	-	-100.0%
Transfer to BID	-	-	-	250,000	100.0%
Transfer to Solid Waste	462,094	-	-	-	0.0%
Transfer to Fleet Fund	4,629,950	5,601,247	-	-	-100.0%
Subtotal	\$ 11,518,851	\$ 7,414,015	\$ 2,900,872	\$ 1,762,426	-76.2%
Debt Service					
Bonds	\$ 1,193,539	\$ 410,000	\$ 100,000	\$ 100,000	-75.6%
Certificates of Participation	\$ 18,662,933	\$ -	\$ -	\$ -	0.0%
Subtotal	\$ 19,856,472	\$ 410,000	\$ 100,000	\$ 100,000	-75.6%
Total Nondepartmental	\$ 32,934,646	\$ 8,780,499	\$ 4,882,377	\$ 1,151,701	-86.9%

PERSONAL SERVICES

Wellness Program- Funding for a city-wide wellness program.

Severance Payments - Covers severance payments to employees impacted by reduction in workforce.

Health Insurance-Retirees - Pays for the City's share of health insurance for eligible retirees.

OPERATING

Risk Management Fund Charges - Premium to recoup a proportionate share of expected liability and workers' compensation claims obligations is included here.

Downtown Revitalization – costs related to the former Downtown Fund.

Computer Lease: Held in reserve for purchase of Police computers.

Indirect Cost Reimbursements - Financial policy prescribes budgeting indirect cost reimbursements from other funds as contra-expenses on a city wide basis.

TRANSFERS TO OTHER FUNDS

Transfer to Capital Projects Fund – Pay-as-Go funding for capital projects.

Transfer to Debt Service Fund – Transfers related to General Fund debt service to the Debt Service Fund.

Transfer to the Water & Sewer Fund – Transfer to repay financing for an IT Infrastructure capital project.

Transfer to the DPAC Fund – Transfer to the Durham Performing Arts Center Fund.

Transfer to BID – Transfer to the Business Improvement District Fund.

Transfer to Fleet Fund – Transfers cover the costs for the general fund portion of scheduled fleet replacements.

DEBT SERVICE

Debt Service – Debt service payments on mortgage obligations. Please refer to the Debt Management section of this document (Section XI) for detailed information on all City debt.

DEBT SERVICE FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Proposed FY 2012-13	Change
Revenues					
General Property Taxes	\$ 24,009,968	\$ 23,418,171	\$ 29,019,418	\$ 29,659,027	26.6%
Interest	-	37,500	17,817	30,097	-19.7%
Other Revenue	347,974	645,698	692,520	692,521	7.3%
Transfers from Other Funds	6,426,807	1,243,173	3,730,833	1,203,484	-3.2%
Appropriation from Fund Balance	-	3,685,907	3,685,907	1,939,938	-47.4%
Total Revenues	\$ 30,784,749	\$ 29,030,449	\$ 37,146,495	\$ 33,525,067	15.5%
Appropriations					
Debt Service Principal	\$ 14,883,076	\$ 17,698,413	\$ 22,680,413	\$ 22,343,723	26.2%
Debt Service Interest	9,840,702	11,332,036	11,132,730	11,181,344	-1.3%
Transfer to Fund Balance	6,060,971	-	3,333,352	-	0.0%
Total Appropriations	\$ 30,784,749	\$ 29,030,449	\$ 37,146,495	\$ 33,525,067	15.5%

FUND DESCRIPTION

The Debt Service Fund was established in FY 2010-11 to account for the City's General Fund debt service obligations.

REVENUE DESCRIPTIONS

General Property Taxes – The portion of property tax allocated to pay for debt service.

Interest - Investment income is gained through the commitment of City funds to investment instruments allowed under State Statute.

Other Revenue – Subsidy payments from Build America Bonds (BABs).

Transfers from Other Funds – A transfer is made from the General Fund.

EXPENDITURE DESCRIPTIONS

Debt Service Principal – Principal payments on the City's debt service.

Debt Service Interest – Interest payments on the City's debt service.

WATER AND SEWER FUND **WATER AND SEWER REVENUES**

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Proposed FY 2012-13	Change
Investment & Rental Income					
Interest: Investments and Assess.	\$ 478,633	\$ 258,469	\$ 270,527	\$ 225,000	-12.9%
Rental Income	355,186	315,600	315,600	315,600	0.0%
Total Investment & Rental Income	\$ 833,819	\$ 574,069	\$ 586,127	\$ 540,600	-5.8%
Operating Revenue					
Water & Sewer Sales					
Water & Sewer Sales	\$ 75,294,976	\$ 78,216,503	\$ 77,440,859	\$ 80,982,068	3.5%
Late Fees	297,455	325,000	271,791	325,000	0.0%
Industrial Monitoring	18,980	13,000	12,000	13,000	0.0%
Sewer Surcharge	158,854	160,000	136,151	160,000	0.0%
Suspended Solids	8,761	10,000	30,000	10,000	0.0%
Subtotal	\$ 75,779,026	\$ 78,724,503	\$ 77,890,801	\$ 81,490,068	3.5%
Other Operating Revenues					
Septic Tank Disposal	\$ 120,600	\$ 100,000	\$ 112,240	\$ 100,000	0.0%
Water Connection Fees	194,122	289,000	162,339	240,000	-17.0%
Sewer Connection Fees	89,180	22,000	90,522	65,000	195.5%
Engineering Inspection Fee	79,447	82,000	40,000	60,000	-26.8%
Backflow Certification	11,800	20,000	11,767	20,000	0.0%
Subtotal	\$ 495,149	\$ 513,000	\$ 416,868	\$ 485,000	-5.5%
Licenses and Permits					
Water Permits	\$ 21,150	\$ 19,000	\$ 21,600	\$ 20,000	5.3%
Sewer Permits	12,600	11,500	8,000	11,000	-4.3%
Cross Connection Control Permits	17,802	15,000	33,533	25,000	66.7%
Subtotal	\$ 51,552	\$ 45,500	\$ 63,133	\$ 56,000	23.1%
Total Operating	\$ 76,325,727	\$ 79,283,003	\$ 78,370,802	\$ 82,031,068	3.5%
Other Revenues					
Miscellaneous	\$ 4,136,323	\$ 66,028	\$ 66,028	\$ 66,028	0.0%
Water Frontage Fees/Assessments	140,457	129,000	228,000	120,000	-7.0%
Sewer Frontage Fees/Assessments	247,217	147,000	347,000	120,000	-18.4%
Total Other Revenues	\$ 4,523,997	\$ 342,028	\$ 641,028	\$ 306,028	-10.5%
Transfers from Other Funds					
Stormwater Management	\$ 25,000	\$ -	\$ 25,000	\$ -	0.0%
Water and Sewer CIP	-	-	-	-	0.0%
General Fund	-	319,595	319,595	308,942	-3.3%
Total Transfers from Other Funds	\$ 25,000	\$ 319,595	\$ 344,595	\$ 308,942	-3.3%
Appropriation from Fund Balance	\$ -	\$ 1,426,968	\$ 1,238,446	\$ 6,714,865	370.6%
TOTAL W & S FUND REVENUES	\$ 81,708,543	\$ 81,945,663	\$ 81,180,998	\$ 89,901,503	9.7%

WATER AND SEWER FUND

REVENUE AND APPROPRIATION SUMMARY

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Proposed FY 2012-13	Change
REVENUES					
Investment and Rental Income	\$ 833,819	\$ 574,069	\$ 586,127	\$ 540,600	-5.8%
Water and Sewer Sales	75,779,026	78,724,503	77,890,801	81,490,068	3.5%
Other Operating Revenue	495,149	513,000	416,868	485,000	-5.5%
Licenses and Permits	51,552	45,500	63,133	56,000	23.1%
Frontage Fees/Assessments	387,674	276,000	575,000	240,000	-13.0%
Other	4,136,323	66,028	66,028	66,028	0.0%
Transfer from Other Funds	25,000	319,595	344,595	308,942	-3.3%
Appropriations from Fund Balance	-	1,426,968	1,238,446	6,714,865	370.6%
TOTAL REVENUES	\$ 81,708,543	\$ 81,945,663	\$ 81,180,998	\$ 89,901,503	9.7%
APPROPRIATIONS					
Personal Services	\$ 20,954,527	\$ 23,224,407	\$ 22,248,742	\$ 23,139,908	-0.4%
Operating	26,181,741	28,795,697	29,396,486	27,203,562	-5.5%
Capital Outlay	114,630	154,000	212,502	10,000	-93.5%
Debt Service	19,236,176	19,914,003	19,006,212	18,891,051	-5.1%
Transfers to Other Funds	12,757,598	9,857,556	10,317,056	20,656,982	109.6%
Transfers to Fund Balance	2,463,871	-	-	-	0.0%
TOTAL APPROPRIATIONS	\$ 81,708,543	\$ 81,945,663	\$ 81,180,998	\$ 89,901,503	9.7%
Department Appropriations					
Water Management	\$ 36,004,588	\$ 40,490,270	\$ 41,245,064	\$ 40,338,301	-0.4%
Public Works	2,379,426	2,658,752	2,722,890	2,787,036	4.8%
Finance	190,730	188,659	142,979	183,947	-2.5%
Nondepartmental Appropriations	\$ 43,133,798	\$ 38,607,982	\$ 37,070,065	\$ 46,592,219	20.7%
TOTAL APPROPRIATIONS	\$ 81,708,543	\$ 81,945,663	\$ 81,180,998	\$ 89,901,503	9.7%

FUND DESCRIPTION

The Water and Sewer Fund accounts for revenues and expenses related to the provision of water and sewer services to the customers of the City and adjacent areas. Water and Sewer CIP projects are part of the annual adopted Capital Improvement Program budget adoption and are not part of the operating fund.

WATER AND SEWER FUND REVENUE DESCRIPTIONS

Investment and Rental Income

Interest: Investment - Investment income is gained through the commitment of City funds to investment instruments allowed by State Statute.

Interest: Assessments - Interest is charged on water and sewer assessments.

Rental Income - The City owns property and houses, purchased for other purposes with Water and Sewer Fund monies, which are temporarily rented. This also includes revenue from cellular tower leases.

Operating Revenues

Water and Sewer Sales - Water and Sewer Sales includes both consumption and service fee charges to all direct water and sewer customers, inside and outside the City. It does not include contractual water sales to other utilities. A rate increase for water and sewer charges is proposed for FY 2012-13. This rate increase is projected to equate to roughly a 2.7% increase for the average residential customer.

Late Fees – Charges are assessed for past due payments.

Industrial Monitoring Charge - The Environmental Protection Agency requires the recovery of costs incurred in monitoring potentially high strength and toxic wastes. The rate schedule is based on the types of tests required.

Sewer Surcharges - Surcharges are applied to high strength waste per pounds of biochemical oxygen demand.

Suspended Solids - Charges on suspended solids are applied per 1,000 pounds.

Other Operating Revenues

Septic Tank Disposal - Charges for truckloads of septic waste discharged at the North Durham Water Reclamation Facility.

Water and Sewer Line Connection Fees - Fees are charged at the time of initial connection to water and sewer mains. These fees vary with the size of the connection.

Engineering Inspection Fees - The Water and Sewer Engineering Division charges fees for water main, sewer main, and sewer outfall inspections.

Backflow Tester School - The Water Resources Department offers certification classes for backflow testers. An enrollment fee is charged for each participant in the school.

Licenses and Permits

Water and Sewer Permit Fees - These fees are paid by developers and the City for permits to extend water and sewer lines.

Cross Connection Control (CCC) Permit fees - This permit partially recovers the cost of the inspection of CCC devices.

Other Revenues

Miscellaneous - This item includes revenues from broken water meter charges, water cut-off penalties and after-hours service charges.

Water and Sewer Frontage Fees/Assessments - Frontage Fees are applicable when property is developed and the developer or property owner has not installed a water and/or sewer line across the street frontage or street right-of-way abutting the project. This item reflects confirmations of water and sewer assessment rolls.

Transfers from Other Funds

Stormwater Management - This transfer covers the costs incurred by Customer Billing and Services for stormwater billing expenditures and by Water Management for one-half of the Household Hazardous Waste Disposal program. This transfer is no longer being made as of FY 2011-12 as this amount is captured in indirect costs.

General Fund – The Water and Sewer Fund financed an Information Technology Infrastructure project in FY 2011-12, and the general fund is paying back its portion of the project over five years.

Appropriation from Fund Balance - An appropriation from fund balance is used to balance the budget when expenditures are anticipated to exceed revenues in a given year.

WATER AND SEWER NON-DEPARTMENTAL APPROPRIATIONS

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Proposed FY 2012-13	Change
Personal Services					
Merit/Market Salary Adjustment	\$ -	\$ 578,876	\$ -	\$ -	-100.0%
Subtotal	\$ -	\$ 578,876	\$ -	\$ -	-100.0%
Operating					
Contingency	\$ -	\$ 51,250	\$ -	\$ -	-100.0%
Hardship Funds	186,285	200,000	200,000	-	-100.0%
Fleet Acquisition	1,176,000	459,500	-	-	-100.0%
General Fund Services	5,563,081	5,797,679	5,797,679	5,797,679	0.0%
Insurance Risk /Post Employment	1,749,973	1,749,118	1,749,118	1,246,507	-28.7%
Miscellaneous	815	-	-	-	0.0%
Subtotal	\$ 8,676,154	\$ 8,257,547	\$ 7,746,797	\$ 7,044,186	-14.7%
Transfers					
Transfer to Storm Water Fund	\$ 123,000	\$ 123,000	\$ 123,000	\$ 123,000	0.0%
Transfer to the General Fund	234,598	-	-	-	0.0%
Transfer to Capital Fleet Program	-	-	459,500	533,982	100.0%
Transfer to Capital Improvements Program	12,400,000	9,734,556	9,734,556	20,000,000	105.5%
Transfer to Fund Balance	2,463,871	-	-	-	0.0%
Subtotal	\$ 15,221,469	\$ 9,857,556	\$ 10,317,056	\$ 20,656,982	109.6%
Debt Service					
Debt Service/Refunding	\$ 18,713,739	\$ 19,414,003	\$ 18,506,212	\$ 18,891,051	-2.7%
County Line Reimbursement	522,436	500,000	500,000	-	-100.0%
Subtotal	\$ 19,236,175	\$ 19,914,003	\$ 19,006,212	\$ 18,891,051	-5.1%
TOTAL NON-DEPARTMENTAL	\$ 43,133,798	\$ 38,607,982	\$ 37,070,065	\$ 46,592,219	20.7%

WATER AND SEWER FUND NON-DEPARTMENTAL APPROPRIATIONS

Personal Services

Merit/Market Salary Adjustment - These funds were previously appropriated to cover any budgeted pay increases, costs associated with increased benefit requirements, etc. This is no longer the practice.

Operating

Contingency - These funds are expended upon City Council approval for various unanticipated costs that arise during the fiscal year which are unforeseen during the budget preparation process.

Hardship Funds - Funds are provided to pay water and sewer bills if a customer is found to be unable to pay under established Durham County Social Services guidelines.

Fleet Acquisition - Costs associated with the acquisition and replacement of the centralized fleet used by Water and Sewer Fund-related departments are recorded here. The method for budgeting this has changed and the Transfer to Capital Fleet Program below now captures these costs.

General Fund Services - Funds are appropriated each year to reimburse the General Fund for services provided to the Water and Sewer Fund. These are also known as Indirect Costs.

Insurance Risk/Post Employment - Each fund pays a proportionate share of expected liability and workers' compensation claims obligations, as well as a share of general insurance, post employment benefits, and safety and health costs.

Miscellaneous - This account covers all other charges that may be incurred outside of normal departmental operations.

Transfers

Transfer to Stormwater Fund – These costs cover an arrangement between Water and Sewer and Stormwater (Public Works) regarding the Household Hazardous Waste program.

Transfer to the General Fund – This represented Call Center and Security costs that are now captured in General Fund Services (as shown above in Operating).

Transfer to Capital Fleet Program – Transfers are made to a capital project to cover fleet vehicle replacement costs, and new vehicle acquisition costs.

Capital Improvement Program (CIP) Appropriations

The 2005 Bond Referendum included \$20 million in water and sewer capital projects. These projects included sewer rehabilitation, North Durham Water Reclamation Facility improvements, Southern Reinforcing Main, Water Main Rehabilitation, Brown Water Treatment Plant Expansion – Phase II, Sewer Extensions and Improvements and Water Extensions and Improvements. These projects continue in design and or construction and bonds are issued as needed to cover the cost of these projects.

Water and Sewer operating funds are appropriated to the Capital Improvement Program to address specific critical capital maintenance needs. For FY 2012-13, \$20 million in CIP funding will be provided from Water and Sewer rates. The full list of Water and Sewer CIP projects can be found in the FY 2013-2018 Capital Improvement Program budget document.

Debt Service

Debt Service - Debt service for water and sewer projects is paid directly from the Water and Sewer Operating Fund.

County Line Reimbursement - The City reimburses the County for water and sewer line installations within designated areas of the County. This is now netted against revenues.

CAPITAL FACILITIES FEES FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Proposed FY 2012-13	Change
Revenues					
Operating Revenues	\$ 2,533,892	\$ 2,257,426	\$ 3,292,280	\$ 2,800,000	24.0%
Interest and Rental Income	26,383	20,489	28,896	11,500	-43.9%
Total Revenues	\$ 2,560,275	\$ 2,277,915	\$ 3,321,176	\$ 2,811,500	23.4%
Appropriations					
Transfers to Other Funds	\$ 1,338,659	\$ 2,277,915	\$ 3,321,176	\$ 2,811,500	23.4%
Transfer to Fund Balance	1,221,616	-	-	-	0.0%
Total Appropriations	\$ 2,560,275	\$ 2,277,915	\$ 3,321,176	\$ 2,811,500	23.4%

FUND DESCRIPTION

The Capital Facilities Fees Fund was established to account for water and sewer capital facilities fees and are transferred to the Water and Sewer Construction Fund to be spent on eligible capital projects. Capital Facility Fees for new connections to the City's water and sewer systems were established in 1985 to recover capital costs associated with providing water supply, water treatment and wastewater treatment to new water and sewer service customers.

REVENUE DESCRIPTIONS

Operating Revenues – Capital Facilities Fees are charged to new development or facility expansion that results in a greater demand on the City's water supply, water treatment capacity and sewer treatment capacity.

Investment Income – Investment income is gained through the commitment of City funds to investment instruments allowed under State Statute.

As a part of the FY 2002-03 budget, the City Council adopted a new capital facility fee schedule in order to offset a greater portion of debt service related to the expansion of water supply, water treatment and wastewater treatment. In FY 2004-05, Water Capital Facilities Fees were increased by \$200 for each meter size. This increase specifically addressed an on-going automated meter reading program. For FY 2008-09 an increase of approximately 20% in the water capital facility fee for all meter sizes was adopted to help provide funding for future water supply and treatment capital projects. In FY 2010-11 the increase of 5% for Capital Facility Fees for new water and sewer customers/connections reflected the increased capital cost of construction of future new, expanded and/or upgraded facilities. There is no increase proposed for FY 2012-13.

EXPENDITURE DESCRIPTIONS

Transfer to Other Funds – Revenues are transferred to the Water and Sewer Construction Fund to fund eligible capital projects.

SOLID WASTE FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY2011-12	Proposed FY 2012-13	Change
Revenues					
Interest and Rental Income	\$ 63,085	\$ 29,597	\$ 34,237	\$ 26,000	-12.2%
Charges for Services	7,606,813	8,537,975	8,381,023	8,119,800	-4.9%
Debt Proceeds	440	725	725	725	0.0%
Landfill Gas	215,104	200,000	192,600	175,000	-12.5%
Transfer from Reserves	970,247	-	613,381	-	0.0%
Transfer from General Fund	12,950,905	12,506,477	12,506,477	13,706,256	9.6%
Total Revenues	\$ 21,806,594	\$ 21,274,774	\$ 21,728,443	\$ 22,027,781	3.5%
Appropriations					
Personal Services	\$ 6,519,343	\$ 6,402,549	\$ 6,113,910	\$ 6,347,414	-0.9%
Operating	12,657,163	12,250,858	12,993,166	12,664,862	3.4%
Debt Service	2,630,088	2,621,367	2,621,367	3,015,505	15.0%
Total Appropriations	\$ 21,806,594	\$ 21,274,774	\$ 21,728,443	\$ 22,027,781	3.5%
Department Appropriations					
Water Management	\$ 196,346	\$ 277,726	\$ 295,935	\$ 278,723	0.4%
Solid Waste Management	18,097,902	17,484,130	18,175,619	17,895,447	2.4%
Nondepartmental Appropriations	3,512,346	3,512,918	3,256,889	3,853,611	9.7%
Total Appropriations	\$ 21,806,594	\$ 21,274,774	\$ 21,728,443	\$ 22,027,781	3.5%

FUND DESCRIPTION

The Solid Waste Disposal Fund provides for the City's solid waste disposal and reduction needs. Household solid waste collection, recycling collection, yard waste collection, transfer station operations, code enforcement and administrative costs are budgeted in this fund. During FY 2010-11 solid waste costs previously budgeted in the General Fund were consolidated in the Solid Waste Disposal Fund resulting in a substantial increase in the fund's budget. Going forward, all costs associated with solid waste collection and disposal will be budgeted in the Solid Waste Disposal Fund.

REVENUE DESCRIPTIONS

Investment and Rental Income – Interest earned on the investment of the fund balance of the fund.

Charges for Services – These include the per ton tipping fee for Solid Waste charged at the transfer station, fees for yard waste collection, disposal bin purchases, brush pickup fees, white good disposal revenue and the State Disposal Tax revenue.

Recycling – The City receives revenue on a per tonnage basis for the recycling collected.

Landfill Gas – Revenues generated from methane produced from the City's landfill.

Transfer from General Fund – The General Fund subsidizes the Solid Waste Fund on an annual basis.

APPROPRIATION DESCRIPTIONS

Departmental Appropriations – Two departments conduct activities that are recorded in the Solid Waste Disposal Fund:

- Department of Water Management – Manages the post-closure monitoring of the closed landfill.
- Solid Waste Management – Manages collection and disposal of solid waste.

Nondepartmental Charges – Includes a payment to the General Fund for indirect costs, a payment to the Risk Reduction Fund for insurance and debt service.

STORMWATER MANAGEMENT FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Proposed FY 2012-13	Change
Revenues					
Operating Revenues	\$ 9,836,621	\$ 10,836,166	\$ 10,836,166	\$ 11,985,688	10.6%
Interest and Rental Income	20,000	11,551	13,364	9,000	-22.1%
Miscellaneous Revenue	227,203	105,707	207,174	144,800	37.0%
Transfers from Other Funds	232,047	232,047	232,047	232,047	0.0%
Appropriation from Fund Balance	-	273,722	176,121	590,000	115.5%
Total Revenues	\$10,315,871	\$ 11,459,193	\$ 11,464,872	\$ 12,961,535	13.1%
Appropriations					
Personal Services	\$ 5,489,408	\$ 6,334,200	\$ 5,883,580	\$ 6,489,776	2.5%
Operating	2,264,336	3,084,881	3,026,515	2,689,274	-12.8%
Capital	-	134,112	63,531	42,800	-68.1%
Transfers to Other Funds	2,500,943	1,906,000	2,491,246	3,739,685	96.2%
Transfer to Fund Balance	\$61,184	-	-	-	0.0%
Total Appropriations	\$ 10,315,871	\$ 11,459,193	\$ 11,464,872	\$ 12,961,535	13.1%
Department Appropriations					
Public Works	\$ 6,773,162	\$ 7,521,844	\$ 7,795,633	\$ 7,706,240	2.5%
Solid Waste	231,695	240,000	200,000	200,000	-16.7%
Nondepartmental Appropriations	3,311,014	3,697,349	3,469,239	5,055,295	36.7%
Total Appropriations	\$ 10,315,871	\$ 11,459,193	\$ 11,464,872	\$ 12,961,535	13.1%

FUND DESCRIPTION

The Stormwater Fund accounts for revenues and expenses related to Stormwater Management. In fiscal year 2009-10 the City moved from monthly billing to annual billing for property owners.

REVENUE DESCRIPTIONS

Interest and Rental Income – Income is gained through the commitment of City funds to investment instruments allowed by State Statute.

Operating Revenue – This revenue stream is comprised of two sources:

Stormwater Utility Charges: Property owners are billed for Stormwater Charges based on the impervious area of their property (measured in Equivalent Residential Units (ERU), or 2,400 square feet). A 8.5% rate increase is proposed for FY2013. The single-family residential stormwater monthly fee structure reflects three tiers tied to square footage of impervious surface: \$2.57 for less than 2,000 square feet, \$5.34 for more than 2,000 and less than 4,000 square feet; \$10.68 for more than 4,000 square feet. The monthly charge for each commercial ERU is \$5.34. Also included in this category are fees for the removal of dead animals from veterinary hospitals, a service provided by the Street Cleaning division. The Stormwater Fee ordinance exempts City streets, but not City buildings, from Stormwater Fees. Residential customers are billed annually for stormwater charges but may request periodic billing from the Public Works Department.

Stormwater Permit Fees: The Stormwater Permit Fee is for plan review and inspection of any required Stormwater management facility (e.g., detention basin, sand filter) associated with development plans.

Miscellaneous – Revenues received from inspection of stormwater infrastructure in new development.

Transfer from Other Funds – Revenues received from the Water and Sewer Fund to support a portion of the Household Hazardous Waste program managed by the Solid Waste department.

EXPENDITURE DESCRIPTIONS

Personal Services – Supports all Stormwater staff in Public Works.

Operating – This includes all ongoing and one-time costs associated with NPDES permit requirements. This supports three work units in the Public Works department: Stormwater Management, providing water quality inspections & certification of all stormwater structures, and design and construction of capital infrastructure projects; Stormwater Maintenance, addressing the above ground and underground system components; and Street & Bus Stop Cleaning. The Solid Waste department administers and manages the Hazardous Household Waste contract.

Capital – This provides for maintenance of equipment.

Transfer to Other Funds – This is a transfer to the CIP for stormwater projects.

Nondepartmental Appropriations – These charges include a payment to the General Fund for indirect costs and a payment to the Risk Fund for insurance (liability, workers' compensations, general insurance, safety and health programs).

TRANSIT FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Proposed FY 2012-13	Change
Revenues					
General Property Taxes	\$ -	\$ -	\$ -	\$ 7,670,132	100.0%
Licenses and Permits	2,234,990	2,200,000	2,160,039	2,200,000	0.0%
Intergovernmental	2,641,599	2,389,165	2,171,278	2,548,772	6.7%
Charges for Current Services	2,919,304	3,280,717	3,413,911	3,677,038	12.1%
Other Revenue	382,984	90,575	107,471	107,433	18.6%
Transfers from Other Funds	7,748,926	7,505,016	7,709,905	-	-100.0%
Appropriation from Fund Balance	156,081	-	642,187	-	0.0%
Total Revenues	\$ 16,083,884	\$ 15,465,473	\$ 16,204,791	\$ 16,203,375	4.8%
Appropriations					
Operating	\$ 14,792,381	\$ 14,353,248	\$ 14,670,684	\$ 14,774,000	2.9%
Capital	-	-	-	-	0.0%
Debt Service	103,760	223,173	223,173	217,955	-2.3%
Transfers to Other Funds	1,187,743	889,052	1,310,934	1,211,420	36.3%
Transfer to Fund Balance	-	-	-	-	0.0%
Total Appropriations	\$ 16,083,884	\$ 15,465,473	\$ 16,204,791	\$ 16,203,375	4.8%
Departmental Appropriations					
Transportation Department	\$ 16,083,884	\$ 15,026,000	\$ 15,765,318	\$ 15,601,857	3.8%
Nondepartmental Appropriations	-	439,473	439,473	601,518	36.9%
Total Appropriations	\$ 16,083,884	\$ 15,465,473	\$ 16,204,791	\$ 16,203,375	4.8%

FUND DESCRIPTION

The Transit Fund provides for the operation of the City's mass transportation system, which includes the Durham Area Transit Authority (DATA) and the Para-Transit transportation system, ACCESS. Triangle Transit provides management oversight over the operations of the system. DATA is currently operated by Durham City Transit Company (DCTC) which is staffed and operated by a contracted vendor. Transit operations also involve significant grant awards which are appropriated in separate, multi-year Grant Project Ordinances, so they are not included in the Annual Operating Budget Ordinance or in this fund summary.

REVENUE DESCRIPTIONS

General Property Taxes – Operating funds are provided by the General Fund at 3.2 cents of the tax rate in FY 2012-13.

Licenses and Permits – Represents City motor vehicle license fees dedicated to Transit. An increase from \$10 to \$15 per vehicle registration was adopted and became effective in FY 2009-10.

Intergovernmental Revenue – Assistance is granted annually by the State government to local entities that operate mass transit systems.

Charges for Current Services – Fare box and Para-transit transport fares.

Transfers from Other Funds – The 3.2 cent subsidy from the General Fund. Prior to FY13 these revenues were shown as transfers as opposed to the actual tax rate subsidy displayed for FY 2012-13.

EXPENDITURE DESCRIPTIONS

Operating – The operating budget represents fuel and funds to operate the transit system.

Transfers to Other Funds - Transfers to General Fund, grant matches for Transit operations and the Stormwater Fund.

PARKING FACILITIES FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Proposed FY 2012-13	Change
Revenues					
Interest and Rental Income	\$ 3,504	\$ 4,638	\$ 1,746	\$ 2,000	-56.9%
Charges for Current Services	1,871,559	2,170,981	2,156,560	2,090,341	-3.7%
Appropriation from Fund Balance	358,350	-	-	-	0.0%
Total Revenues	\$ 2,233,413	\$ 2,175,619	\$ 2,158,306	\$ 2,092,341	-3.8%
Appropriations					
Personal Services	\$ 63,295	\$ 62,608	\$ 69,314	\$ 64,155	2.5%
Operating	1,172,618	1,497,866	1,572,464	1,984,516	32.5%
Capital	-	368,192	368,192	-	-100.0%
Debt Service	997,500	-	-	-	0.0%
Transfer to Fund Balance	-	246,953	148,336	43,670	-82.3%
Total Appropriations	\$ 2,233,413	\$ 2,175,619	\$ 2,158,306	\$ 2,092,341	-3.8%
Departmental Appropriations					
Transportation Department	\$ 1,219,164	\$ 1,911,916	\$ 1,993,220	\$ 1,588,865	-16.9%
Nondepartmental Appropriations	1,014,249	263,703	165,086	503,476	90.9%
Total Appropriations	\$ 2,233,413	\$ 2,175,619	\$ 2,158,306	\$ 2,092,341	-3.8%

FUND DESCRIPTION

The Parking Facilities Fund was established to account for revenues and expenses to city-owned parking areas, including four garages (Chapel Hill Street, Church Street, Corcoran Street and the Durham Centre) and three off-street lots. A new vendor to manage the garages and lots was contracted for FY 2008-09 and continues. On-street parking revenues and expenditures are now also budgeted in this fund as of FY 2011-12. They had previously been budgeted in the General Fund.

REVENUE DESCRIPTIONS

Interest and Rental Income - Gained through the commitment of City funds to investment instruments allowed by State Statute.

Charges for Current Services - Revenues represent the gross revenue collected by the contract vendor operating the parking facilities and issuing tickets in the downtown area. Reimbursements to the vendor are reflected in the operating budget and are specified in the contract with the vendor.

EXPENDITURE DESCRIPTIONS

Personal Services – The City's Transportation Department provides oversight of the parking contracts.

Operating – The operating budget represents contract payments to a private contractor.

Capital – Funds were used in FY 2011-12 to purchase automation equipment for garages.

BALLPARK FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Proposed FY 2012-13	Change
Revenues					
Interest and Rental Income	\$ 587,869	\$ 567,153	\$ 599,252	\$ 564,447	-0.5%
Charges for Services	121,030	125,000	99,977	125,000	0.0%
Debt Refunding	1,789,319	-	-	-	0.0%
Transfer from Fund Balance	-	-	112,105	-	0.0%
Transfers from Other Funds	1,646,053	1,391,020	1,391,020	1,594,931	14.7%
Total Revenues	\$ 4,144,271	\$ 2,083,173	\$ 2,202,354	\$ 2,284,378	9.7%
Appropriations					
Personal Services	\$ 129,943	\$ 111,363	\$ 115,773	\$ 114,135	2.5%
Operating	760,842	760,509	875,280	867,068	14.0%
Debt Service	2,819,504	902,443	902,443	978,378	8.4%
Transfer to Fund Balance	140,282	-	-	-	0.0%
Transfers to Other Funds	293,700	308,858	308,858	324,797	5.2%
Total Appropriations	\$ 4,144,271	\$ 2,083,173	\$ 2,202,354	\$ 2,284,378	9.7%
Departmental Appropriations					
General Services	\$ 793,567	\$ 774,654	\$ 893,835	\$ 849,220	9.6%
Nondepartmental Appropriations	3,350,704	1,308,519	1,308,519	1,435,158	9.7%
Total Appropriations	\$ 4,144,271	\$ 2,083,173	\$ 2,202,354	\$ 2,284,378	9.7%

FUND DESCRIPTION

The Ballpark Fund was established in FY 1995-96 to account for all operational activities related to the Durham Bulls Athletic Park (DBAP). The park is currently the home of the Durham Bulls AAA baseball club, a local radio station and a local television station. USA Baseball also moved into DBAP during FY 2003-04. All activities related to the baseball season occur between April and September.

REVENUE DESCRIPTIONS

Investment and Rental Income

Durham Bulls Rent - The Durham Bulls are charged \$25,000 per month during the baseball season.

Additional Bulls Rent - The Durham Bulls are charged additional rent equal to 4% of the team's gross revenues exceeding \$3,250,000 per year.

Skybox Rentals - The City receives 25% of skybox rental revenue from the 11 skyboxes at the DBAP.

Office and Parking Space Rentals - Rentals for office space are on the street level of the park. In addition, the fund collects rental income on the parking lots used by the Diamond View Office Complex.

Ballpark Rentals - The City will rent the DBAP on selected days to community groups and private interests for special events.

Charges for Services

Ticket Surcharges - The City levies a \$0.25 surcharge on each ticket sold for events at the DBAP.

Transfer from Other Funds

Transfer from General Fund - The General Fund subsidizes the Ballpark Fund on an annual basis.

EXPENDITURE DESCRIPTIONS

Personal Services - This represents the City's personnel assigned to provide facility maintenance at the DBAP.

Transfers to Other Funds - A loan repayment to the Water and Sewer Construction Fund.

LAW ENFORCEMENT OFFICERS' SEPARATION ALLOWANCE FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Proposed FY 2012-13	Change
Revenues					
Charges for Service	\$ 1,319,633	\$ 1,299,676	\$ 1,299,676	\$ 1,383,281	6.4%
Investment Income	14,847	10,686	9,467	6,500	-39.2%
Appropriation From Fund Balance	21,286	6,739	22,169	-	-100.0%
Total Revenues	\$ 1,355,766	\$ 1,317,101	\$ 1,331,312	\$ 1,389,781	5.5%
Appropriations					
Personal Services	\$ 1,354,666	\$ 1,315,901	\$ 1,330,112	\$ 1,388,581	5.5%
Operating	1,100	1,200	1,200	1,200	0.0%
Total Appropriations	\$ 1,355,766	\$ 1,317,101	\$ 1,331,312	\$ 1,389,781	5.5%

FUND DESCRIPTION

This fund has been established to provide special retirement benefits for eligible law enforcement officers as required by State Statute.

REVENUE DESCRIPTIONS

This fund receives revenue from three sources:

Charges for Service – The fund charges the Police Department for contributions to the Separation Fund at a rate of 5% of sworn officers' salaries.

Investment Income – Funds are gained through the commitment of city funds to investment instruments allowed under State Statute.

Appropriations from Fund Balance – Any costs not covered by the other two revenue sources must be covered by fund balance.

EXPENDITURE DESCRIPTIONS

Personal Services (Separation Allowance) – This expenditure provides special retirement benefits for eligible law enforcement officers as required by State Statute.

Operating (Periodic Fund Audit) – This fund is audited periodically to determine the accuracy of projections. The cost associated with these audits appears here.

CEMETERY FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Proposed FY 2012-13	Change
Revenues					
Interest and Rental Income	\$ 16,804	\$ 12,303	\$ 11,102	\$ 7,500	-39.0%
Appropriation from Fund Balance	-	232,278	233,479	92,500	-60.2%
Transfers from Other Funds	22,391	-	-	-	0.0%
Total Revenues	\$ 39,195	\$ 244,581	\$ 244,581	\$ 100,000	-59.1%
Appropriations					
Transfers to Other Funds	\$ 39,195	\$ 244,581	\$ 244,581	\$ 100,000	-59.1%
Total Appropriations	\$ 39,195	\$ 244,581	\$ 244,581	\$ 100,000	-59.1%

FUND DESCRIPTION

The Cemetery Fund became part of the City operating budget ordinance in FY 2006-07. This fund holds an annual contribution to the future infrastructure needs of the City's two cemeteries. Cemetery operations are contained in the General Fund.

REVENUE DESCRIPTIONS

Interest and Rental Income – Investment interest earned on the fund balance.

Transfers from Other Funds – A transfer from the General Fund had been made to the Cemetery Fund to allow the fund balance to build for future infrastructure needs.

EXPENDITURE DESCRIPTIONS

Transfers to Other Funds – For Fiscal Year 2012-13 funds are being transferred to the Capital Improvement Program for the purpose of cemetery repairs.

OTHER POST EMPLOYMENT BENEFITS FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Proposed FY 2012-13	Change
Revenues					
Charges for Services	\$ 3,490,667	\$ 3,996,566	\$ 3,996,566	\$ 3,802,617	-4.9%
Contributions	755,086	870,848	765,892	780,495	-10.4%
Transfers from Fund Balance	66,911	-	-	61,507	100.0%
Total Revenues	\$ 4,312,664	\$ 4,867,414	\$ 4,762,458	\$ 4,644,619	-4.6%
Appropriations					
Personal Services	\$ 4,312,664	\$ 4,852,414	\$ 4,538,617	\$ 4,627,869	-4.6%
Operating Expenses	-	15,000	12,000	16,750	11.7%
Transfer to Fund Balance	-	-	211,841	-	0.0%
Total Appropriations	\$ 4,312,664	\$ 4,867,414	\$ 4,762,458	\$ 4,644,619	-4.6%

FUND DESCRIPTION

This fund was established effective FY 2007-08 to provide post employment benefits for eligible retired employees as required by City policy.

REVENUE DESCRIPTIONS

Charges for Services - The fund charges Departments for contributions to the Other Post Employment Benefits Fund.

Contributions - City employee and retiree contributions.

Transfers from Fund Balance – Appropriation shortfalls that are drawn from reserves.

EXPENDITURE DESCRIPTIONS

Personal Services - This expenditure provides post employment benefits for eligible retired employees as required by city policy.

Operating Expenses – These are professional fees for actuarial services.

Transfer to Fund Balance – This expenditure reflects any surplus after providing post employment benefits to eligible retirees. All excess appropriations are placed into a reserve to ensure adequate funding for future post employment benefits.

EMERGENCY TELEPHONE SYSTEM SURCHARGE FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Proposed FY 2012-13	Change
Revenues					
911 Surcharge Tax	\$ 1,517,247	\$ 1,796,331	\$ 1,796,331	\$ 1,413,750	-21.3%
Interest Income	9,126	5,008	6,189	4,000	-20.1%
Appropriation from Fund Balance	11,519	171,311	164,618	382,581	123.3%
Total Revenues	\$ 1,537,892	\$ 1,972,650	\$ 1,967,138	\$ 1,800,331	-8.7%
Appropriations					
Personal Services	\$ 197,149	\$ 223,491	\$ 237,464	\$ 186,488	-16.6%
Operating	1,340,743	1,749,159	1,729,674	1,609,843	-8.0%
Transfer to Fund Balance	-	-	-	4,000	100.0%
Total Appropriations	\$ 1,537,892	\$ 1,972,650	\$ 1,967,138	\$ 1,800,331	-8.7%

FUND DESCRIPTION

This fund accounts for revenues and expenditures dedicated to the operation of the 911 Communication Systems. Expenditures are restricted to those permitted by State Statute.

REVENUE DESCRIPTION

911 Surcharge Tax – Revenues come from the 911 Wireless Surcharge Fund on wireline and wireless telephones in the 911 Service Areas. These revenues are collected by the State of North Carolina and remitted to the City for actual costs.

Interest Income – This line records interest received in the fund.

Appropriations from Fund Balance – Any costs not covered by other sources must be covered by Fund Balance.

EXPENDITURE DESCRIPTION

Personal Services – This category captures personnel costs associated with one position providing database maintenance and mapping support, plus partial costs for two positions that are counted in the Technology Solutions organizational chart that include an Emergency Information Services (EIS) Coordinator and a GIS Coordinator.

Operating – Expenditures in this fund are associated with the maintenance, upgrade and management of the 911 Communication Systems.

DURHAM PERFORMING ARTS CENTER FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Proposed FY 2012-13	Change
Revenues					
Other Local Taxes	\$ 1,227,461	\$ 1,250,000	\$ 1,250,000	\$ 1,300,000	4.0%
Other Revenues	711,950	922,122	835,087	861,000	-6.6%
Operating Revenues	1,080,791	700,000	900,000	918,000	31.1%
Transfer From Other Funds	206,000	100,000	100,000	-	-100.0%
Appropriation from Fund Balance	133,445	174,023	66,208	296,831	70.6%
Total Revenues	\$ 3,359,646	\$ 3,146,145	\$ 3,151,295	\$ 3,375,831	7.3%
Appropriations					
Operating	\$ 247,099	\$ 113,526	\$ 118,676	\$ 429,733	278.5%
Transfer to Other Funds	622,591	543,009	543,009	459,000	-15.5%
Debt Service	2,489,956	2,489,610	2,489,610	2,487,098	-0.1%
Total Appropriations	\$ 3,359,646	\$ 3,146,145	\$ 3,151,295	\$ 3,375,831	7.3%

FUND DESCRIPTION

The Durham Performing Arts Center Fund was created in FY 2006-07. It serves as the operating fund for the 2,800 seat Performing Arts Theater.

REVENUE DESCRIPTIONS

Other Local Taxes – The Durham Performing Arts Center is funded with 1% of the Occupancy Tax collections in Durham County up to a maximum of \$1,400,000 annually.

Other Revenues – This includes naming rights revenues and ticket surcharge fees.

Operating Revenues – Revenues received from the theater operator.

Transfer From Other Funds – A transfer from Downtown Revitalization.

Appropriation from Fund Balance – Tax collections in support of the Center are held in reserve until needed.

EXPENDITURE DESCRIPTIONS

Operating - Commissions and fees to meet contractual obligations. In FY 2012-13 Indirect Costs associated with the General Fund were added to the fund.

Transfer to Other Funds – Allows for transfers to the capital reserve fund.

Debt Service – Expected debt service on Certificates of Participation issued to finance the theater.

DURHAM PERFORMING ARTS CENTER CAPITAL RESERVE FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Proposed FY 2012-13	Change
Revenues					
Distributed Interest	\$ 1,404	\$ 1,688	\$ 6,331	\$ 1,000	-40.8%
Transfer From Other Funds	616,566	543,009	543,009	459,000	-15.5%
Total Revenues	\$ 617,970	\$ 544,697	\$ 549,340	\$ 460,000	-15.5%
Appropriations					
Operating	\$ 299,406	\$ 350,000	\$ 350,000	\$ 197,249	-43.6%
Transfer to Fund Balance	318,564	194,697	199,340	262,751	35.0%
Total Appropriations	\$ 617,970	\$ 544,697	\$ 549,340	\$ 460,000	-15.5%

FUND DESCRIPTION

The Durham Performing Arts Center Capital Reserve Fund pays for repairs to the theater and collects excess revenues for periodic major upgrades.

REVENUE DESCRIPTIONS

Distributed Interest – The investment return on the fund balance.

Transfer From Other Funds – A transfer of the facility fee income from the DPAC fund. Beginning in FY 2012, the ticket surcharge is \$1.50 per ticket.

APPROPRIATIONS DESCRIPTIONS

Operating - Repairs and upgrades to the theater.

Transfer to Fund Balance – Excess revenues beyond current expenditures are reserved for future major upgrades to the theater.

IMPACT FEE FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Proposed FY 2012-13	Change
Revenues					
Operating Revenues	\$ 2,407,861	\$ 1,719,602	\$ 1,742,137	\$ 1,742,137	1.3%
Interest and Rental Income	251,703	175,047	184,654	113,000	-35.4%
Total Revenues	\$ 2,659,564	\$ 1,894,649	\$ 1,926,791	\$ 1,855,137	-2.1%
Appropriations					
Transfer to Fund Balance	\$ 2,659,564	\$ 1,894,649	\$ 1,926,791	\$ 1,855,137	-2.1%
Total Appropriations	\$ 2,659,564	\$ 1,894,649	\$ 1,926,791	\$ 1,855,137	-2.1%

FUND DESCRIPTION

The Impact Fee Fund is established to account for impact fees until they are transferred to the Consolidated General Capital Projects Fund and expended for specific, eligible projects.

REVENUE DESCRIPTIONS

Investment and Rental Income – Income gained through the commitment of City funds to investment instruments and income received from city owned property leased to private sector entities.

Operating Revenues or Charges for Current Service – Impact fees are charged to new development or facility expansion that results in a greater demand on the City's thoroughfare network, parks and recreation facilities, or open space land. This revenue can only be spent on capital projects generated by new development and must be spent in the zone for which it was collected. Funds must be committed within ten years of receipt.

EXPENDITURE DESCRIPTIONS

Transfer to Fund Balance – Revenues are kept in fund balance until the City Council adopts a Capital Project Ordinance that recognizes the use of impact fees for a specific, eligible project.

BUSINESS IMPROVEMENT DISTRICT FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Proposed FY 2012-13	Change
Revenues					
General Property Taxes	\$ -	\$ -	\$ -	\$ 380,000	100.0%
Transfers from Other Funds	-	-	-	250,000	100.0%
Total Revenues	\$ -	\$ -	\$ -	\$ 630,000	100.0%
Appropriations					
Operating	-	-	-	630,000	100.0%
Total Appropriations	\$ -	\$ -	\$ -	\$ 630,000	100.0%

FUND DESCRIPTION

The Business Improvement District (BID) Fund was established in FY 2012-13 to account for activity in the City's Downtown Business Improvement District.

REVENUE DESCRIPTIONS

General Property Taxes – The portion of property tax allocated to pay for enhanced services to the district.

Transfers from Other Funds – A transfer is made from the General Fund.

EXPENDITURE DESCRIPTIONS

Operating – The enhanced services provided to the Downtown Business Improvement District.

RISK REDUCTION FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Proposed FY 2012-13	Change
Revenues					
Interest Income	\$ 102,580	\$ 84,267	\$ 58,738	\$ 80,249	-4.8%
Charges for Current Services	4,742,720	4,781,100	4,781,100	3,712,485	-22.4%
Transfer from Other Funds	-	778,842	778,842	48,709	-93.7%
Appropriation from Fund Balance	-	270,776	-	1,900,000	601.7%
Total Revenues	\$ 4,845,300	\$ 5,914,985	\$ 5,618,680	\$ 5,741,443	-2.9%
Appropriations					
Operating	\$ 3,630,571	\$ 5,914,985	\$ 5,102,414	\$ 5,741,443	-2.9%
Transfer to Other Funds	778,842	-	185,464	-	0.0%
Transfer to Fund Balance	435,887	-	330,802	-	0.0%
Total Appropriations	\$ 4,845,300	\$ 5,914,985	\$ 5,618,680	\$ 5,741,443	-2.9%

FUND DESCRIPTION

The Risk Reduction Fund is established to provide a source of funds for payment of the City's uninsured legal liabilities, including risks such as workers' compensation, automobiles, general operations and professional activities. Claim settlements, actuarial expenses, legal fees, administrative expenses and other professional services required for claim disposition are paid from this fund.

The Risk Reduction Fund is an internal service fund and is appropriated by a resolution rather than in the City's operating budget ordinance.

REVENUE DESCRIPTIONS

Interest Income – Income earned through the commitment of City funds to investment instruments.

Charges for Current Services – Each operating fund pays a charge for the provision of risk services.

Appropriations from Fund Balance – Any costs not covered by revenue sources must be covered by fund balance.

EXPENDITURE DESCRIPTIONS

Operating – This line includes claims payments for workers compensation, general liability cases and professional services.

Transfer to Fund Balance – This expenditure reflects all reserves over 8% are appropriated to other funds.

EMPLOYEE INSURANCE FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Proposed FY 2012-13	Change
Revenues					
Charges for Current Services	\$ 23,009,473	\$ 28,914,846	\$ 27,751,020	\$ 29,112,275	0.7%
Interest	18,090	18,750	30,165	12,500	-33.3%
Total Revenues	\$ 23,027,563	\$ 28,933,596	\$ 27,781,185	\$ 29,124,775	0.7%
Appropriations					
Personnel	\$ -	\$ 77,814	\$ 52,850	\$ 76,889	-1.2%
Operating	21,331,961	28,855,782	26,874,874	29,047,886	0.7%
Transfer to Fund Balance	1,695,602	-	853,461	-	0.0%
Total Appropriations	\$ 23,027,563	\$ 28,933,596	\$ 27,781,185	\$ 29,124,775	0.7%

FUND DESCRIPTION

The Employee Insurance Fund was established to allocate the City's health insurance obligations.

The Employee Insurance Fund is an internal service fund and is appropriated by a resolution rather than in the City's operating budget ordinance.

REVENUE DESCRIPTIONS

Charges for Current Services – Each operating fund pays a charge for the provision of employee self-insurance services.

Interest – Income gained through the commitment of City funds to investment instruments.

EXPENDITURE DESCRIPTIONS

Personnel – A Wellness Program Administrator FTE is included in the fund.

Operating – This line includes payments for health insurance.

WATERSHED PROTECTION FUND

	Actual FY 2010-11	Adopted FY 2011-12	Estimated FY 2011-12	Proposed FY 2012-13	Change
Revenues					
City Water Services	-	-	-	100,000	100.0%
Total Revenues	\$ -	\$ -	\$ -	\$ 100,000	100.0%
Appropriations					
Transfer to Water & Sewer Contruction	-	-	-	100,000	100.0%
Total Appropriations	\$ -	\$ -	\$ -	\$ 100,000	100.0%

FUND DESCRIPTION

The Watershed Protection Fund was established in FY 2012-13 to account for activities related to the protection of the City's watershed lands.

REVENUE DESCRIPTIONS

City Water Services – Fees collected for the purpose of the preservation of City's watershed.

EXPENDITURE DESCRIPTIONS

Transfer to Water & Sewer Construction – The fees are transferred for the purpose of future purchases of watershed land.